

**ASSEMBLY BILL**

**No. 910**

**Introduced by Assembly Member Diaz**

February 20, 2003

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An act to add Division 112 (commencing with Section 130500) to the Health and Safety Code, relating to hospital community responsibility.

LEGISLATIVE COUNSEL'S DIGEST

AB 910, as introduced, Diaz. Hospital service changes.

Existing law establishes requirements for the construction, closure, and operation of acute care hospitals.

This bill would prohibit an entity licensed to operate, or seeking licensure for the operation of, a general acute care hospital from closing, opening, or making certain changes in, an acute care hospital unless it submits an independent needs assessment to the county, the State Department of Health Services, and other entities, and the department determines that the proposed change would meet the needs of the community.

The bill would authorize the department to provide options to ensure that the health needs of the community are met if the department determines that the proposed action would be detrimental to the community. The bill would require each hospital required to submit an independent needs assessment to maintain a reserve that is sufficient to fund a community impact assessment report.

This bill would prohibit the purchase or construction of a hospital within 100 miles of a hospital owned or operated by a private entity proposing to purchase or construct the hospital.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. This act shall be known and may cited as the Hospital Community Responsibility Act.

SEC. 2. Division 112 (commencing with Section 130500) is added to the Health and Safety Code, to read:

DIVISION 112. HOSPITAL COMMUNITY  
RESPONSIBILITY

CHAPTER 1. GENERAL

130500. For purposes of this division:

(a) “Applicant” means any private entity licensed to operate, or seeking licensure for the operation of, a general acute care hospital pursuant to Chapter 2 (commencing with Section 1250) of Division 2.

(b) “Department” means the State Department of Health Services.

(c) “Hospital” means a general acute care hospital.

CHAPTER 2. PROPOSED ACUTE CARE HOSPITAL CHANGES THAT  
HAVE AN IMPACT ON THE COMMUNITY

130510. (a) Notwithstanding any other provision of law, no applicant may close, open, expand, or relocate a hospital, or substantially reduce the staffing level of, or the services provided by, a hospital, unless the proposed action is approved by the department as having met the standards adopted pursuant to this division.

CHAPTER 3. INDEPENDENT COMMUNITY IMPACT ASSESSMENT

130520. (a) Prior to taking any of the actions specified in Section 130510, an applicant shall submit an independent community impact assessment report to the appropriate county offices, the State Department of Health Services, and the office of the Attorney General.

1 (b) The report required by this section shall contain an  
2 independent assessment of the impact on the community by any of  
3 the proposed actions specified in Section 130510.

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5 CHAPTER 4. REGIONAL NEEDS ASSESSMENT POLICY  
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7 130530. The department, in consultation with the Attorney  
8 General, shall develop and adopt a regional needs assessment  
9 policy for the implementation of this division.

10 130532. (a) The policy developed by the department  
11 pursuant to Section 130530 shall include a requirement that any  
12 applicant that proposes to take any action specified in Section  
13 130510 demonstrate that the proposed action meets the needs of  
14 the community affected by the proposed action.

15 (b) The policy adopted pursuant to this division shall ensure  
16 that community health needs and community hospitals are  
17 protected from adverse and detrimental competitive business  
18 practices.

19 130534. (a) The department shall implement a process for  
20 the review of any location for any proposed new hospital.

21 (b) The department shall seek the participation of local hospital  
22 districts, city and county health agencies, and other appropriate  
23 local agencies in the area affected by the construction of a new  
24 hospital.

25 130536. The department shall also implement a process to  
26 review the health needs of a community affected by any hospital  
27 closure or substantial reduction in services.

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29 CHAPTER 5. HOSPITAL ACTION OPTIONS  
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31 130550. If, after conducting a needs assessment, the  
32 department determines that any proposed action under review  
33 pursuant to this division would be detrimental to the health needs  
34 of a community, the department may provide the applicant with  
35 options that the department determines would protect the health  
36 needs of the community.  
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## 1 CHAPTER 6. MULTIHOSPITAL CORPORATION LIMITS

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3 130560. An applicant may not purchase or construct a  
4 hospital within 100 miles of any hospital owned or operated by the  
5 applicant.

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7 CHAPTER 7. COMMUNITY IMPACT ASSESSMENT REPORT FUNDING  
8 RESERVE  
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10 130800. (a) Every private entity that is a licensee of a hospital  
11 shall maintain a reserve that is sufficient to fund a community  
12 impact assessment report, as described in this division, as follows:

13 (1) For an entity licensed for not more than \_\_\_\_ beds, the  
14 amount of the reserve shall not be less than fifty thousand dollars  
15 (\$50,000), but not more than one hundred thousand dollars  
16 (\$100,000).

17 (2) For an entity licensed for not less than \_\_\_\_ beds, the  
18 amount of the reserve shall not be less than one hundred thousand  
19 dollars (\$100,000), but not more than one hundred fifty thousand  
20 dollars (\$150,000).

21 (b) The amount of the reserve shall be established by the  
22 department, and shall be appropriate to meet the requirements of  
23 this section.

